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and Certain of its Affiliates

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11 Case No.**
: :
LEHMAN BROTHERS HOLDINGS INC., et al., : **08-13555 (JMP)**
: :
Debtors. : **(Jointly Administered)**
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**NOTICE REGARDING SIXTH DISTRIBUTION PURSUANT TO
THE MODIFIED THIRD AMENDED JOINT CHAPTER 11 PLAN OF
LEHMAN BROTHERS HOLDINGS INC. AND ITS AFFILIATED DEBTORS**

As previously disclosed, additional Distributions under the *Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors*, dated December 5, 2011 [ECF No. 23023] (the “Plan”),¹ will commence on October 2, 2014 (the “Sixth Distribution Date”).

Attached hereto as Exhibit A is a list that indicates the percentage recovery that will be distributed to holders of Allowed Claims (other than secured, administrative, priority or convenience claims) against each Debtor in each Class under the Plan as well as the cumulative percentage recovery.

Attached hereto as Exhibit B is a summary of the aggregate amount that will be distributed to holders of Allowed non-priority unsecured Claims on the Sixth Distribution Date.

Attached hereto as Exhibit C is a schedule that indicates the amount and percentage of the Minimum Cash Reserve and the Asset-to-Reserve Ratio that will be maintained by each Debtor that uses Non-Cash Assets in lieu of Available Cash as reserves for Disputed Claims.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan or the *Order Authorizing Use of Non-Cash Assets In Lieu of Available Cash As Reserves for Disputed Claims Pursuant to Section 8.4 of the Debtors’ Confirmed Joint Plan* [ECF No. 25641], as applicable.

The aggregate amount that will be distributed on the Sixth Distribution Date will total approximately \$10.9 billion and will include approximately (i) \$10.4 billion of Distributions identified in Exhibit B, (ii) and \$0.5 billion of Distributions to holders of recently Allowed Claims for amounts that would have been received had such Claims been Allowed at the time of previous Distributions.

Dated: September 25, 2014
New York, New York

/s/ Garrett A. Fail
Garrett A. Fail

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Exhibit A

Exhibit A**Distribution to Holders of Allowed Non-Priority Unsecured Claims****Lehman Brothers Holdings Inc.**

			Distribution as a % of Allowed Claims		
			Prior Distributions ⁽¹⁾	Sixth Distribution on 10/2/2014 ⁽¹⁾	Cumulative Distributions
Class	3	Senior Unsecured	26.924382%	4.631324%	31.555706%
Class	4A	Senior Affiliate Claims	21.395568%	3.865681%	25.261249%
Class	4B	Senior Affiliate Guarantee	20.909096%	3.716671%	24.625767%
Class	5	Senior Third-Party Guarantee	16.730276%	2.973355%	19.703631%
Class	6A	Convenience Claims	26.000000%	N/A	26.000000%
Class	6B	Guaranteed Convenience Claims	17.000000%	N/A	17.000000%
Class	7	General Unsecured	25.226847%	4.254615%	29.481462%
Class	8	Derivative Affiliate / Affiliate Guaranteee Claims	19.698034%	3.503277%	23.201311%
Class	9A	Third-Party Guaranteee Claims other than those of the RACERS Trusts	15.758426%	2.811263%	18.569689%
Class	9B	Third Party Guaranteee Derivatives RACER's	9.584731%	1.695533%	11.280264%
Class	10A	Subordinated Class 10A Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Class	10B	Subordinated Class 10B Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Class	10C	Subordinated Class 10C Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾

Lehman Commercial Paper Inc.

Class	3	Convenience Claims	60.000000%	N/A	60.000000%
Class	4A	General Unsecured Claims other than those of Designated Entities	61.632668%	3.985234%	65.617902%
Class	4B	General Unsecured Claims of Designated Entities	51.623013%	3.581546%	55.204559%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	63.800569%	4.476933%	68.277502%
Class	5B	Affiliate Claims of Participating Subs	51.623013%	3.581546%	55.204559%
Class	5C	Affiliate claims	55.494737%	3.850162%	59.344899%

Lehman Brothers Special Financing Inc.

Class	3	Convenience Claims	32.000000%	N/A	32.000000%
Class	4A	General Unsecured Claims other than those of Designated Entities	30.898689%	1.797063%	32.695752%
Class	4B	General Unsecured Claims of Designated Entities	15.791490%	0.923721%	16.715211%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	31.801971%	1.898383%	33.700354%
Class	5B	Affiliate Claims of Participating Subs	25.963065%	1.518707%	27.481772%
Class	5C	Affiliate claims	30.506601%	1.784480%	32.291081%

Lehman Brothers Commodity Services Inc.

Class	3	Convenience Claims	55.000000%	N/A	55.000000%
Class	4	General Unsecured Claims	67.377134%	4.496153%	71.873287%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	78.345503%	5.228085%	83.573588%
Class	5B	Affiliate Claims of Participating Subs	N/A	N/A	N/A
Class	5C	Affiliate claims	67.377134%	4.496153%	71.873287%

Lehman Brothers OTC Derivatives Inc.

Class	3	Convenience Claims	34.000000%	N/A	34.000000%
Class	4	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	5B	Affiliate Claims of Participating Subs	100.000000%	N/A	100.000000%
Class	5C	Affiliate claims	100.000000%	N/A	100.000000%

Lehman Brothers Commercial Corporation

Class	3	Convenience Claims	40.000000%	N/A	40.000000%
Class	4	General Unsecured Claims	87.409408%	12.590592%	100.000000%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	5B	Affiliate Claims of Participating Subs	77.697252%	12.441661%	90.138913%
Class	5C	Affiliate claims	87.409408%	12.590592%	100.000000%

Lehman Brothers Derivative Products Inc.

Class	3	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	100.000000%	N/A	100.000000%

Exhibit A
Distribution to Holders of Allowed Non-Priority Unsecured Claims

				Distribution as a % of Allowed Claims		
				Prior Distributions ⁽¹⁾	Sixth Distribution on 10/2/2014 ⁽¹⁾	Cumulative Distributions
Lehman Brothers Financial Products Inc.						
Class	3	General Unsecured Claims		100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾		100.000000%	N/A	100.000000%
Class	4B	Affiliate claims		100.000000%	N/A	100.000000%
LB 745 LLC						
Class	3	General Unsecured Claims		100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾		100.000000%	N/A	100.000000%
Class	4B	Affiliate claims		N/A	N/A	N/A
PAMI Statler Arms LLC						
Class	3	General Unsecured Claims		47.254213%	N/A	47.254213%
Class	4A	Affiliate Claims of LBHI ⁽³⁾		47.254213%	52.745787%	100.000000%
Class	4B	Affiliate claims		N/A	N/A	N/A
CES Aviation LLC						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		80.920763%	2.546252%	83.467015%
Class	4B	Affiliate claims		80.920763%	2.546252%	83.467015%
CES Aviation V LLC						
Class	3	General Unsecured Claims		23.002722%	7.262690%	30.265412%
Class	4A	Affiliate Claims of LBHI ⁽³⁾		23.002722%	7.262690%	30.265412%
Class	4B	Affiliate claims		23.002722%	7.262690%	30.265412%
CES Aviation IX LLC						
Class	3	General Unsecured Claims		36.380126%	9.436788%	45.816914%
Class	4A	Affiliate Claims of LBHI ⁽³⁾		36.380126%	9.436788%	45.816914%
Class	4B	Affiliate claims		36.380126%	9.436788%	45.816914%
East Dover Limited ⁽⁴⁾						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		7.661660%	N/A	7.661660%
Class	4B	Affiliate claims		N/A	N/A	N/A
Lehman Scottish Finance LP						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		N/A	N/A	N/A
Class	4B	Affiliate claims		N/A	N/A	N/A
Luxembourg Residential Properties Loan Finance S.a.r.l.						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		N/A	N/A	N/A
Class	4B	Affiliate claims		70.365111%	0.504816%	70.869927%
BNC Mortgage LLC ⁽⁵⁾						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		N/A	N/A	N/A
Class	4B	Affiliate claims		N/A	N/A	N/A
LB Rose Ranch LLC ⁽⁴⁾						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		N/A	N/A	N/A
Class	4B	Affiliate claims		N/A	N/A	N/A

Exhibit A

Distribution to Holders of Allowed Non-Priority Unsecured Claims

				Distribution as a % of Allowed Claims		
				Prior Distributions ⁽¹⁾	Sixth Distribution on 10/2/2014 ⁽¹⁾	Cumulative Distributions
Structured Asset Securities Corporation						
Class	3	General Unsecured Claims		45.559688%	3.189610%	48.749298%
Class	4A	Affiliate Claims of LBHI ⁽³⁾		45.559688%	3.189610%	48.749298%
Class	4B	Affiliate claims		45.559688%	3.189610%	48.749298%
LB 2080 Kalakaua Owners LLC						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		N/A	N/A	N/A
Class	4B	Affiliate claims		N/A	N/A	N/A
Merit LLC						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		N/A	N/A	N/A
Class	4B	Affiliate claims		15.255564%	1.520274%	16.775838%
LB Somerset LLC						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		N/A	N/A	N/A
Class	4B	Affiliate claims		N/A	N/A	N/A
LB Preferred Somerset LLC						
Class	3	General Unsecured Claims		N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾		N/A	N/A	N/A
Class	4B	Affiliate claims		N/A	N/A	N/A

Notes:

⁽¹⁾ "N/A" indicates either \$0 available cash for Distributions, \$0 in Allowed Claims within the specific class, or classes that were satisfied in previous Distributions

⁽²⁾ Distributions reallocated in accordance with Section 6.4 of the Plan

⁽³⁾ In accordance with sections 6.5 (b) and 6.5 (c) of the Plan, LBHI is participating in Distributions in the amount and to the extent set forth on Page 4 of the Debtor's Claims Schedule, as amended

⁽⁴⁾ In accordance with section 8.3 of the plan, Debtors are not required to make Distributions of less than \$10 million in the aggregate

⁽⁵⁾ There are two significant unliquidated claims against BNC which, if liquidated and allowed, would have a material impact on the recoveries to creditors of BNC. Pending resolution of these claims, the Plan Administrator has determined to suspend Plan Distributions with respect to claims against BNC. The Plan Administrator has paid to BNC \$344,000, the aggregate amount of Distributions previously made by BNC, and is considering its options with respect thereto

Exhibit B

Exhibit B

Summary of Sixth Distribution to Non-Priority Unsecured Claims (October 2, 2014)

\$ in millions

Debtors ⁽¹⁾	Cash Available for Distribution					Claims ⁽⁵⁾			Distribution		
	Initial Cash Available for Distribution	Cash Available from Distributions from Other Debtors and Certain Non-Debtors ⁽²⁾	Redistribution from Claims Reserves ⁽³⁾	Plan Adjustments ⁽⁴⁾	Catch-Up and Interest on Newly Allowed	Total Cash Available for Sixth Distribution	Allowed ⁽⁶⁾	Disputed ⁽⁷⁾	Total	Payment to Allowed Creditors	Net Increase (Decrease) to Disputed Claims Reserves
Lehman Brothers Holdings Inc.	\$ 6,465.5	\$ 2,254.2	\$ 90.4	\$ 184.7	\$ (418.8)	\$ 8,576.0	\$ 237,097.6	\$ 26,274.9	\$ 263,372.5	\$ 8,490.6 ⁽⁸⁾	\$ 85.4
Lehman Commercial Paper Inc.	\$ 894.9	\$ 255.8	\$ 2.1	\$ (89.8)	\$ (0.1)	\$ 1,062.9	\$ 25,812.3	\$ 66.2	\$ 25,878.5	\$ 1,067.9	\$ (4.9)
Lehman Brothers Special Financing Inc.	\$ 619.1	\$ 107.8	\$ 2.2	\$ (42.8)	\$ (86.7)	\$ 599.6	\$ 36,969.8	\$ 7,202.5	\$ 44,172.3	\$ 661.3	\$ (61.6)
Lehman Brothers Commodity Services Inc.	\$ 149.5	\$ 8.4	\$ 6.0	\$ (15.2)	\$ (0.0)	\$ 148.7	\$ 3,016.2	\$ 117.9	\$ 3,134.0	\$ 142.5	\$ 6.2
Lehman Brothers Commercial Corporation	\$ 199.3	\$ 0.8	\$ 14.6	\$ (27.4)	\$ (0.1)	\$ 187.2	\$ 1,256.8	\$ 212.9	\$ 1,469.6	\$ 157.4	\$ 29.8
CES Aviation LLC	\$ -	\$ -	\$ 0.5	\$ -	\$ (0.0)	\$ 0.5	\$ 18.2	\$ -	\$ 18.2	\$ 0.5	\$ -
CES Aviation V LLC	\$ -	\$ 0.0	\$ 0.5	\$ -	\$ (0.0)	\$ 0.5	\$ 6.5	\$ -	\$ 6.5	\$ 0.5	\$ -
CES Aviation IX LLC	\$ -	\$ 0.0	\$ 0.7	\$ -	\$ (0.0)	\$ 0.7	\$ 7.3	\$ -	\$ 7.3	\$ 0.7	\$ -
LUXCO	\$ -	\$ 0.0	\$ 3.0	\$ -	\$ (0.0)	\$ 3.0	\$ 593.4	\$ -	\$ 593.4	\$ 3.0	\$ -
PAMI Statler Arms LLC	\$ 0.0	\$ -	\$ 0.2	\$ -	\$ -	\$ 0.2	\$ 0.0	\$ -	\$ 0.0	\$ 0.0	\$ 0.2
Structured Asset Securities Corporation	\$ 0.8	\$ 20.5	\$ 2.0	\$ -	\$ (0.0)	\$ 23.3	\$ 470.9	\$ 259.6	\$ 730.5	\$ 15.0	\$ 8.3
Merit LLC	\$ 3.8	\$ 1.2	\$ 0.0	\$ -	\$ (0.0)	\$ 4.9	\$ 324.7	\$ 0.0	\$ 324.7	\$ 4.9	\$ 0.0
										\$ 10,544.2	\$ 63.2
											\$ 10,607.4

Notes:

⁽¹⁾ Includes all Debtors making a Distribution on the Sixth Distribution Date. Other Debtors not listed will not be making Distributions to non-priority unsecured creditors on this date

⁽²⁾ Includes payments from/to Debtors to/from other Debtors, certain Debtor Controlled and Non-Controlled Entities calculated to maximize Distributions to all creditors

⁽³⁾ Represents amounts that were reserved at the previous Distributions that are now available for Distribution as Disputed Claims have been reduced, withdrawn or allowed at amounts less than previously reserved

⁽⁴⁾ Plan Adjustment is calculated based on payment of Allowed Claims including Distributions on newly Allowed Claims. It is not calculated on the Disputed Claims Reserve

⁽⁵⁾ Does not include Convenience Claims

⁽⁶⁾ In accordance with sections 6.5 (b) and 6.5 (c) of the Plan, LBHI is participating in Distributions in the amount and to the extent set forth on Page 4 of the Debtor's Claims Schedule, as amended

⁽⁷⁾ Amount of Disputed Claims for reserve purposes only. Certain Claims have been reserved at less than filed amounts as agreed to through a stipulation or settlement agreement or pursuant to Court order.

Does not include estimated reserves for unliquidated Claims

⁽⁸⁾ Includes \$0.1 billion of prior Distributions returned to LBHI on account of claims that were withdrawn pursuant to a prior settlement. See ECF Nos. 46302 and 46303. As such amount was reported in cumulative distributions to date, it will be excluded from the reported amount of Distributions made on the Sixth Distribution Date

Exhibit C

Minimum Cash Reserve and Asset-to-Reserve Ratios for Sixth Distribution (October 2, 2014)

\$ in millions

Description	Lehman Brothers Holdings Inc.	Lehman Commercial Paper Inc.	Lehman Brothers Special Financing Inc.
Assets			
Financial Inventory as of 06/30/14 ⁽¹⁾	\$ 161	\$ 915	\$ 695
Subsequent Collections ⁽²⁾	(37)	(204)	(348)
Receivables & Other Assets ⁽³⁾	272	13	49
Investment in Affiliates ⁽⁴⁾	783	686	-
Receivables from Controlled Affiliates ⁽⁵⁾	5,222	1,230	223
Receivables from Non-Controlled Affiliates ⁽⁶⁾	6,225	59	65
Encumbered Assets ⁽⁷⁾	(560)	-	-
Total Assets	\$ 12,066	\$ 2,699	\$ 684
Required Claims Reserve			
% of Reserves for Disputed Claims Held in Cash	25%	25%	91%
Reserve for Disputed Claims	\$ 6,512	\$ 50	\$ 2,503
Less: Plan Adjustments & Plan Settlement Reserves ⁽⁸⁾	(414)	(4)	(29)
Reserve Available to All Classes	6,098	46	2,474
Less: Minimum Cash Reserve ⁽⁹⁾	(1,525)	(11)	(2,246)
Net Asset Requirement	\$ 4,574	\$ 34	\$ 228
Total Asset-to-Reserve Ratio	2.6x	78.8x	3.0x

Notes:

- (1) As reflected in the June 30, 2014 Balance Sheets to be filed with the Bankruptcy Court prior to October 2nd, 2014
- (2) Reflects significant cash receipts related to the monetization of financial inventory through September 15, 2014. (Please refer to the Post-Effective Date Operating Reports for more information)
- (3) Reflects amounts included in the Balance Sheets as third party receivables in the caption "Receivables from Controlled Affiliates and Other Assets" as of June 30, 2014, net of significant cash collections through September 15, 2014
- (4) Includes estimated recoveries from Investments in Affiliates reflected in the 2014+ Cash Flow Estimates adjusted for significant cash activity through September 15, 2014
- (5) Includes estimated recoveries from (i) pre-petition intercompany receivables as presented in the 2014+ Cash Flow Estimates reduced for (a) significant cash activity through September 15, 2014; (b) estimated recoveries related to LB Re Financing No. 1 and (c) estimated recoveries from allowed claims against LBHI that have been assigned to LBHI from certain Debtor-Controlled Entities; (ii) post-petition intercompany receivables as presented in the June 30, 2014 Balance Sheets in the caption "Receivables from Controlled Affiliates and Other Assets" adjusted for cash activity through September 15, 2014; and (iii) assets encumbered to LCPI
- (6) Includes estimated recoveries from Non-Controlled Affiliates per the 2014+ Cash Flow Estimates reduced by (i) collections through September 15, 2014 and (ii) estimated recoveries where LBHI has offsetting or partially offsetting payables and receivables from certain Non-Controlled Affiliates (primarily LBT, LBS and LBSF No. 1/LB UK Financing Limited No. 1)
- (7) Certain assets of LBHI have been pledged as collateral for an intercompany loan from LOTC and therefore are not used in the calculation of Asset to Reserve Ratios. (Refer to the Management's Discussion and Analysis section of the June 30, 2014 Balance Sheets)
- (8) Includes only portion of Plan Adjustments and Plan Settlement amounts reserved for Disputed Claims
- (9) As authorized by the Court, a portion of LBSF's minimum cash reserve has been invested in secured notes issued by LBHI. See ECF No. 46276.

This schedule is not meant to be relied upon as a complete description of the Company, its business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. This report was produced for the sole purpose of calculating the Minimum Cash Reserve and Asset-to-Reserve Ratios for the Sixth Distribution. The report should be read in conjunction with previously filed reports by the Company, including the June 30, 2014 Balance Sheets, Notes and Supplemental Schedules, 2014+ Cash Flow Estimates, Form 8-K reports, the Plan and related Disclosure Statement.